

energy crisis was perceived. But regardless of the energy crisis, the deduction is questionable because it shifts what is essentially a user charge on those who use the Nation's highways to the taxpayers as a whole, regardless of whether or how much they drive. The Federal Government in effect provides backdoor financing for State and local highway bills, and shifts the cost of doing so from the highest to the lowest income taxpayers. Moreover, miles driven for tax return purposes are such rough estimates that they probably exceed by far the number of miles actually driven on the Nation's highways.

If the deduction was questionable when created, it is indefensible now. The seemingly inexhaustible energy supplies of the sixties have given way to the reality of permanent shortage. Retention of a subsidy which contradicts that reality can no longer be tolerated.

The Finance Committee views this as a tax simplification issue. It recommends a \$50 floor under the deduction as a means of discouraging taxpayers from itemizing their returns in order to take advantage of the deduction. This would mean that if a taxpayer's State and local gasoline taxes did not exceed \$50, he would get no deduction at all. Worthy as the tax simplification goal is, this proposal flies in the face of the Nation's energy crisis. It takes the deduction away from those who consume the smallest quantities of gasoline and retains it for those who consume the largest.

I support the goal of tax simplification, but a solution which at best ignores—and at worst exacerbates—a national problem of extreme urgency cannot be countenanced. We are on a collision course with depletive energy supplies, and unless we bend every effort to conserve, we are doomed to the control of those who control the supplies.

The two goals—tax simplification and energy conservation—are not mutually exclusive. Both can be achieved by the complete elimination of this counterproductive deduction. An incentive to itemize would be replaced with an incentive to conserve.

For the last few days we have been debating the need to generate an additional \$1 billion in tax reform revenues. Adoption of this amendment would move us more than a third of the way toward that goal in fiscal 1977 and almost two-thirds of the way toward that goal by 1981. The estimated revenue gain from complete repeal of the deduction is \$600 million in fiscal 1977, rising to \$910 million in 1981. By contrast, the Finance Committee's \$50 floor proposal would increase revenues by only \$285 million in fiscal 1977 and rise to only \$343 million in 1981. So this proposal would add \$315 million to the Finance Committee's measure in 1977 and almost \$560 million by 1981.

This reform would not only make a major contribution to revenue; it would also make a major contribution to conservation. Using elasticity of demand estimates prepared by Data Resources Inc., an economics consulting and forecasting firm, the Budget Committee esti-

mates that repeal of the deduction would reduce gasoline consumption by 250 gallons, or 16,300 barrels of oil per day, in 1977 alone.

If there ever was a time when the deduction for State and local gasoline taxes for nonbusiness use could be defended, it cannot be defended today. Retention of hundreds of millions in tax subsidies for gasoline use by the wealthy bespeaks a fundamental failure to appreciate the depths of the Nation's energy crisis. Increasing dependence on foreign oil and accelerating consumption of a rapidly depleting resource insure future crises of unmanageable proportions unless we change direction. Removal of the subsidy for gasoline consumption would accomplish a fundamental reform in the tax laws, add substantially to the general revenues, increase the fairness of the tax system, and make a modest step in the direction of a rational energy policy.

#### PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ENERGY RESEARCH APPROPRIATION ACT, 1977—H.R. 14236

AMENDMENT NO. 1912

(Ordered to be printed and to lie on the table.)

Mr. GLENN (for himself and Mr. DOMINICK) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 14236) making appropriations for public works for water and power development and energy research, including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions for the fiscal year ending September 30, 1977, and for other purposes.

AMENDMENT NO. 1913

(Ordered to be printed and to lie on the table.)

Mr. BAKER submitted an amendment intended to be proposed by him to the bill (H.R. 14236), *supra*.

AMENDMENT NO. 1930

(Ordered to be printed and to lie on the table.)

Mr. GARY HART submitted an amendment intended to be proposed by him to the bill (H.R. 14236), *supra*.

#### WATERGATE REORGANIZATION AND REFORM ACT—S. 495

AMENDMENTS NOS. 1926 THROUGH 1929—

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, S. 495, the Watergate Reorganization and Reform Act, is now awaiting action by the Senate. This bill would bring about important reforms concerning how our Government tackles the problem of corrupt public officials. The bill would set up a statutory mechanism for appointment of a temporary special prosecutor

in future situations involving criminal allegations against very high-level Federal officials and in situations where there would be a conflict of interest between the President or the Attorney General, on the one hand, and the person under investigation, on the other. S. 495 would also establish a new Division of Government Crimes within the Department of Justice. This new division would be headed by an Assistant Attorney General, appointed by the President with the advice and consent of the Senate. Establishing a high-level unit to ferret out official corruption is long overdue and would help signal to the American people the seriousness with which we view violations of the public trust.

I support S. 495, Mr. President, and urge floor action on this bill as soon as possible. But, there are improvements that can be made to this proposed legislation. Therefore, I am submitting at this time four amendments that I will offer when S. 495 comes before the full Senate.

The first amendment I propose deals with powers and responsibilities of a temporary special prosecutor.

S. 495, as drafted, does not spell out the powers of the special prosecutor. My first amendment is intended to delineate the appropriate powers and thus guarantee the functional independence of the special prosecutor. These powers are very similar to those spelled out in the charters under which Special Prosecutor Archibald Cox and his successors derived their authority. They are also quite similar to the powers delineated in both of the so-called "Independent Special Prosecutor Acts of 1973." In fact, on the question of what independent powers and authority a special prosecutor should have, there was substantial Judiciary Committee agreement in 1973 even though the committee split on the question of whether the executive or the judiciary should appoint the Special Prosecutor.

These powers include the power to litigate, conduct grand jury proceedings, frame and sign indictments, contest assertions of privilege, appeal cases, seek immunity for witnesses and other powers a prosecutor might need to carry out his duties.

The exercise of these powers, of course, would be limited to those matters within the jurisdiction of the special prosecutor. Under the bill, the jurisdiction, in turn, is to be delineated by the Attorney General in most instances, or by the court. Also, the Attorney General has the power to remove a special prosecutor for extraordinary improprieties.

As we learned from the Watergate situation, a thorough and competent investigation can be thwarted unless the prosecutor can be insulated from undue interference. Also, the public itself may have little confidence in the integrity and independence of an investigation that is not clearly independent from those under investigation. The Prosecutor's independence should be statutorily determined, as would be the case under my amendment.

In addition, S. 495 as written does not

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explicitly authorize the Special Prosecutor to report to Congress or authorize him to prepare reports for the public. The power to report publicly is a useful power to help insure independence, and the duty to report to Congress helps force the Special Prosecutor to focus on legislative solutions to the problems he dealt with. The Watergate Special Prosecution Force final report, for example, contains several recommendations that were incorporated into this bill. This amendment would also authorize the submission of such reports and would require the Special Prosecutor to report to the Attorney General upon completion of his duties.

The next amendment I propose would improve the bill's treatment of the question of when a special prosecutor should be appointed.

Section 594(c)(2) lists those individuals with respect to whom a criminal investigation will automatically trigger the appointment of a temporary special prosecutor. Unless the criminal allegations against this class of individuals are certified by the Attorney General to be frivolous, then there is no legal choice under the bill but to appoint a special prosecutor. Accordingly, this class of individuals should be carefully and precisely defined. We should be neither over-inclusive, nor under-inclusive. This amendment is intended to limit the number of individuals statutorily defined in this special class.

As presently drafted, S. 495 would automatically require the appointment of a special prosecutor in all criminal investigations involving any individual working in the Executive Office of the President who is compensated at a rate equivalent to or greater than level V of the Executive Schedule. As a practical matter, this class would include 184 individuals, quite a large number of Government officials. Included would be such positions as numerous trade representatives and even professional budget analysts, certainly not the type of offices which we should say as a matter of law requires in all cases a special prosecutor.

Thus, this amendment would change the automatic triggering level from level V to level IV and above. As a practical matter, this would comprise only 52 individuals in the White House and thus be limited to those who are closest to the Chief Executive and thus most likely to present a conflict-of-interest situation. Of course, criminal investigations of Government officials who are not part of this class may still require the appointment of a special prosecutor depending on the circumstances that individual's relationship to the President or the Attorney General. These case-by-case situations are provided for in section 594(c)(1) which establishes standards for the Attorney General and the court to determine whether or not there is a conflict of interest that would require the appointment of a special prosecutor.

Also, as the bill is presently drafted, the automatic appointments of a special prosecutor will occur not only for extremely high-level Government officials—President, Vice President, Cabinet

officers, high-level White House assistants, et cetera—but also for individuals who formerly occupied any of those high-level positions during the previous 4 years. The intent of this provision as drafted is to reach situations where the target of an investigation resigns or has already left office, but where neither one of those reasons should militate against appointing a special prosecutor.

In defining this special class of individuals, we should be as precise as possible in order to reach the conflict of interest situations that will arise, but also to avoid the needlessness of appointment of a special prosecutor in other situations. As currently drafted, a current President's former chief White House assistant, for example, might escape the rigorous and impartial investigation by a special prosecutor simply because he no longer holds that position. On the other hand, the investigation of a former White House assistant to a defeated Republican President could, for example, trigger the appointment of a special prosecutor even though the current President and Attorney General are part of a Democratic administration. There are numerous instances like these which most of us would agree would not automatically require a special prosecutor, but which S. 495 would include in the triggering device.

The cases to which we should limit the automatic appointment of a special prosecutor are those involving very high-level former Government officials, and conflicts of interest with the investigating administration. Thus, we should condition the automatic appointment not solely on the basis of the amount of time the former official has been out of office, but more importantly on whether the former official served in the same Presidential administration as the one which would conduct the prosecution. It is the latter standard that better measures true conflict-of-interest situations. My amendment would incorporate the more precise standard. It would also limit the automatic appointment mechanism to crimes related to the former officials' governmental activities.

As I mentioned, the automatic triggering mechanism in section 594(c)(2) delineates a limited class of governmental officials whose criminal wrongdoing requires the appointment of a special prosecutor. These individuals include the President, Vice President, Director of the Federal Bureau of Investigation, all Cabinet members, and a limited number of high-level White House assistants. My amendment would include the Director of the CIA in this class of officials. Like Cabinet members and high-level White House assistants, the CIA Director functions within a class of officials considered to be of Cabinet level. Traditionally, he has reported directly and frequently to the President on matters of the utmost sensitivity, secrecy, and importance. Unlike even the Cabinet departments, the CIA submits itself to relatively little interagency coordination and review before taking action. Instead, the CIA through its Director can and does act virtually without executive branch con-

straints, except those established by the President. History and commonsense tell us that the CIA Director occupies a special position vis-a-vis the President and should not be treated differently than Cabinet members for purposes of this bill. Public confidence in the integrity of the criminal process, as well as the process itself, will be better served if allegations against a CIA Director of criminal wrongdoing are pursued by an independent prosecutor.

The next amendment would tighten certain language of the bill that triggers reporting requirements on the part of the Attorney General and Government employees.

The bill as drafted requires the Attorney General to file memorandums with the court whenever he receives "information, allegations, or evidence" concerning criminal wrongdoing if his participation in the investigation may constitute a conflict of interest. These filing requirements are an integral part of the process of deciding whether to appoint a special prosecutor. Although these filing requirements are neither burdensome nor oppressive, the Justice Department expressed some questions as to how these requirements would be interpreted and operate in practice. A literal reading of the requirements, as now drafted, might impose an unnecessary burden on the Attorney General if he is the recipient of numerous but totally unspecified and general allegations concerning the activity of high-level Government officials. For example, a disgruntled group of citizens could simply transmit to the Attorney General allegations such as "the President is a crook" or "the Secretary takes graft."

A plausible reading of the bill as presently drafted would require the Attorney General to file memorandums concerning allegations such as these. This amendment is intended to tighten the language so that allegations and information must be of a specific nature in order to trigger the requirement that the Attorney General must file in court memorandums concerning the allegations.

Moreover, section 592(c) requires all Government employees to report to the local U.S. attorney or the Attorney General "any information, allegation, or complaint" concerning criminal wrongdoing that would be within the jurisdiction of the new Assistant Attorney General for Government crimes. As pointed out, it may be too burdensome to impose reporting requirements simply because a Government employee is the recipient of totally unspecified and general allegations regardless of the source. Thus, this amendment would impose reporting requirements only in those situations in which the information or allegation is of a specific nature.

My final amendment deals with the jurisdiction of the new division within the Department of Justice that S. 495 provides for. Section 592(a) of the bill establishes the jurisdiction of the new Assistant Attorney General for Government Crimes. That provision limits the jurisdiction to criminal violations of Fed-



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eral law "committed by" most Government officials. As drafted, therefore, S. 495 could operate in such a way that the division would have authority to investigate the Government official who receives a bribe, but not the private party who tendered the bribe. This is neither an effective nor probably an intended assignment of responsibilities within the Department of Justice. The jurisdiction should be broadened to include criminal behavior involving Government officials.

This final amendment would also assign to the new Assistant Attorney General for Government Crime general supervisory responsibilities over Department of Justice investigations of corrupt State and local officials. In most investigations involving State and local officials, the appropriate U.S. attorney handles the actual investigation and prosecution, while the head of the Criminal Division in Washington possesses general supervisory powers. Since this bill creates an entire new division and Assistant Attorney general to deal exclusively with political corruption cases, it is appropriate that supervisory powers over such cases be transferred from the Criminal Division to the new Government Crime Division. This arrangement should better equip the local Federal prosecutor with skillful and helpful backup from Washington. And, just as importantly, the Government Crimes Division will be in the best position to exercise responsibility in those few instances where the local U.S. attorney is not proceeding properly or is involved in a conflict of interest with the local official under investigation. There is considerable opinion from those who have served in the Department of Justice that occasionally local prosecution of local State officials by local Federal prosecutors present situations that politically and ethically would be better directed from outside the particular locality. In those instances, the required control and direction should be in the hands of the Government Crimes Division.

#### NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 29, 1976, at 9:15 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

J. Blaine Anderson, of Idaho, to be U.S. circuit judge for the ninth circuit, vice M. Oliver Koelsch, retired.

Any person desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. McCLELLAN); the Senator from Nebraska (Mr. BRUSCA); and myself as chairman.

#### ANNOUNCEMENT OF NOMINATION HEARING

Mr. MOSS. Mr. President, yesterday, June 21, the nomination of Dr. Alan M.

Lovelace, of Maryland, to be Deputy Administrator of the National Aeronautics and Space Administration, was referred to the Committee on Aeronautical and Space Sciences. Dr. Lovelace would replace Dr. George M. Low, who has resigned.

Because of the press of other Senate business and the pending recess, the committee has decided to move immediately on Dr. Lovelace's nomination. Therefore, I announce that the hearing on Dr. Lovelace's nomination will take place at 10:30 a.m., Friday, June 25, 1976, in room 235 of the Russell Senate Office Building.

Anyone desiring to testify at the hearing or to file a statement on this nomination should contact the committee.

#### NOTICE OF RESCHEDULED HEARING

Mr. ABOUREZK. Mr. President, I wish to announce for the information of my colleagues and interested public that the Subcommittee on Indian Affairs has rescheduled its oversight hearing on the land issue of the Quechan Indian Tribe of Fort Yuma, Ariz., for June 24. The previously scheduled June 11 hearing was postponed due to the business on the Senate floor on that day.

The June 24 hearing will be a continuation of the hearing which began on May 3. At that time I announced that another hearing would be scheduled in order that the Secretary of the Interior could appear personally and give the subcommittee the benefit of his remarks which are so vital to this issue.

The subcommittee will convene at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

The scheduled witnesses are:

First. The Honorable Thomas S. Kleppe, Secretary of the Interior, accompanied by the Honorable Kent Frizzell, under secretary, and the Honorable H. Gregory Austin, solicitor; and

Second. Mr. Fritz Brown, president, Quechan Tribe, accompanied by Mr. Elmer Savilla, former president, and Mr. Raymond Simpson, legal counsel.

#### SUBSTITUTION OF SENATOR JOHNSTON FOR SENATOR CHURCH AS A CONFERE—H.R. 12169

Mr. JACKSON. Mr. President, I ask unanimous consent that the Chair be authorized to appoint the junior Senator from Louisiana (Mr. JOHNSTON) a conferee on H.R. 12169, a bill to extend the Federal Energy Administration, to replace the senior Senator from Idaho (Mr. CHURCH).

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ADDITIONAL STATEMENTS

##### CARTER COMES OUT OF THE CLOSET

Mr. CURTIS. Mr. President, a very informative article has appeared in the Human Events issue of June 26, 1976, entitled "Carter Comes Out of the Closet." I ask unanimous consent to ex-

tend my remarks by printing that article in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

##### CARTER COMES OUT OF THE CLOSET

With the Democratic nomination all but in his grasp, Jimmy Carter has started to come out of the closet. And contrary to all the up-front advertising, he has done so in the gaudy plumage of big-spending Washington liberalism.

Carter-as-collectivist-liberal is quite a switch from the image he tried to project throughout the primary season. His effort has been to portray himself as the anti-Washington, anti-Establishment candidate, opposed to federal centralization and bureaucracy. His rhetoric has been conservative to moderate, and obviously aided him in pursuit of the nomination.

The change of front has occurred in steady phases—in public statements and commitments that Carter has made along the way, and finally in a comprehensive statement on the issues submitted by Carter to the Democratic platform-drafting subcommittee, chaired by Gov. Michael Dukakis of Massachusetts. In these statements Carter has laid his liberal credentials on the table, and from a leftward standpoint they are impressive.

The proposals offered by Carter in recent weeks have embraced everything from national economic planning at one end of the liberal spectrum to "decriminalization" of marijuana on the other. He has come out for price controls in various guises, handgun control, the Equal Rights Amendment, increased federal spending on social programs, a pardon for Vietnam draft-dodgers, and comprehensive national health insurance.

Carter's stands on foreign policy issues are of a similar kidney, containing nothing substantive to displease the left and many specifics in keeping with the liberal ideology. There is nothing in his recent statements that could not be embraced by Hubert Humphrey, Ralph Nader, Teddy Kennedy, or even Bella Abzug. Everything is in there, from increased punitive regulation of business and stepped-up federal spending to ritual plugs for nuclear disarmament.

Moreover, the platform-drafting subcommittee itself was controlled by Carter forces, headed by Atlanta attorney Stuart Eizenstat. Actually aware of Carter's impending nomination, the platform drafters obediently fine-tuned the document to suit the Carter strategy: Big government liberalism on every front, couched in neuter, uninflamatory language. On many points, indeed, the platform is almost a verbatim duplication of the Carter statement submitted to the committee.

Thus the Democratic draft platform, as well as Carter's own statements, offers us a chilling insight into his positions. Putting them together, we get the following agenda of Carter issues for the fall election:

Support for the Humphrey-Hawkins "full-employment" planning bill, a scheme that could cost anywhere from \$16 to \$34 billion annually, according to most estimates. Though advertised strictly as a "jobs" bill, Humphrey-Hawkins would create machinery for "planning" virtually every aspect of American economic life, projecting "national goals related to full employment, production, purchasing power."

Carter's backing for this bill is expressed in a single, terse assertion: "Support for the Full Employment Act of 1976." The platform subcommittee elaborates: "Of special importance is the need for national economic planning capability. . . . If we do not plan, but continue to react to crisis after crisis, our economic performance will be further eroded."





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Legislative Counsel

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23 June 1976

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DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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Director

You might be interested in reading remarks made by Senator Kennedy yesterday when he submitted certain amendments to the Watergate Reorganization and Reform Act. One of Senator Kennedy's amendments would include the Director of CIA within that category of federal executives subject to an "automatic triggering mechanism" providing for the establishment of a special INTL prosecutor.

George L. Cary  
Legislative Counsel

FORM 3-62

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